INVESTMENT ADVISER
CAPITAL GROWTH MANAGEMENT
LIMITED PARTNERSHIP
Boston, Massachusetts 02110

TRANSFER AND DIVIDEND PAYING AGENT AND CUSTODIAN OF ASSETS
STATE STREET BANK AND TRUST COMPANY
Boston, Massachusetts 02111

SHAREHOLDER SERVICING AGENT FOR STATE STREET BANK AND TRUST COMPANY
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CGM Focus Fund

78th Quarterly Report
March 31, 2017

A No-Load Fund

Investment Adviser
Capital Growth Management
Limited Partnership

To Our Shareholders:

CGM Focus Fund returned 6.9% during the first quarter of 2017 compared to a return of 6.1% for the Standard and Poor's 500 Index ("S&P 500 Index").

The stock market rally that began with the U.S. presidential election continued into the first quarter of this year driven, in part, by the belief that the new administration's fiscal policies would accelerate U.S. economic expansion. A primary driver of stock market performance early in the year was the banking sector which benefitted from the prospects of a more favorable regulatory environment and an upward trend in interest rates. On January 25, the Dow Jones Industrial Average surpassed 20,000 for the first time. Labor Department figures released in January demonstrated continued wage and employment improvements for American workers, including an increase in average hourly earnings in December, up 2.9% from a year earlier, and a year-end unemployment rate of 4.7%. The Commerce Department reported retail sales in 2016 increased by a healthy 3.3% over the previous year. Economic growth also began to push inflation from its historical lows and the Consumer Price Index increased 2.1% in December from December of the previous year. Growth has not been limited to the U.S. as European stock markets continued to advance at the beginning of the year in response to an expanding manufacturing sector and a drop in the jobless rate for the Eurozone to a seven year low.

The steadily improving U.S. labor market helped to further increase consumer spending in the first quarter. The Commerce Department reported strong January retail sales, an increase of 5.6% from a year earlier. Prices also continued to climb and the Labor Department again reported the Consumer Price Index grew 0.6% in January, the largest monthly inflationary gain in almost four years. Higher energy prices were a key contributor. OPEC members and other oil producing nations generally adhered to an agreement to cut global oil production, which held the price of oil over $50 per barrel, well above the $30-$40 range of a year ago.

Higher commodity prices and improved global economic conditions boosted foreign and U.S. stock indexes including the Dow Jones Industrial Average, which reached another milestone by exceeding the 21,000 mark on March 1. The manufacturing sector continued to rebound and on March 1, the Institute For Supply Management reported its Purchasing Managers' Index increased in February from 56.0% to 57.7%. Confidence in domestic and global growth led the Federal Reserve ("Fed") to raise interest rates in mid-March with plans for two further rate increases in 2017. Stocks surged and bond yields retreated in response to the Fed's decision. This rally was short-lived when stocks pulled back as the quarter came to a close. The sell-off may have been triggered, in part, by the failure of the Trump administration and congressional Republicans to pass a health care bill to replace the Affordable Care Act and the market's concern that the new administration may have trouble implementing its agenda which includes increased fiscal spending, tax cuts and reduced federal regulations.

Despite the stock market's lackluster performance at the end of the quarter, improving corporate earnings and global growth indicators pushed the Conference Board's Consumer Confidence Index up to 125.6, which is its highest level since December 2000. In another healthy sign for the U.S. economy, the Commerce Department reported on March 31 that the February personal consumption expenditure index (the index the Fed consults when planning interest rate adjustments) increased 2.1% from a year earlier. This is the first time in five years that consumer inflation surpassed the Fed's target of a 2% annual gain, increasing the probability of further interest rate increases this year.

The yield on the 10 year U.S. Treasury bond began the year at 2.5% and reached a high of 2.6% on March 13. Bond yields rose during the quarter in response to solid jobs reports, the European Central Bank's decision to keep its rates unchanged and the Fed's indication that it intends to migrate towards a more traditional interest rate policy going forward. The strong Consumer Confidence reading, which lifted stocks, depressed the 10 year U.S. Treasury bond yield to 2.4% at quarter end. The S&P 500 Index was priced at 24.8 times the trailing twelve month earnings as of March 31. Despite this high valuation, continued global economic growth has the potential to increase corporate earnings and create stock buying opportunities.

On March 31, 2017, CGM Focus Fund was 19.2% invested in commercial banks, 15.1% invested in housing and building materials and 12.7% invested in electronic components. The Fund's three largest holdings were Bank of America Corporation, Citigroup Inc. (commercial banks) and Morgan Stanley (broker dealers). At the end of the quarter 20.7% of the portfolio was invested in equities sold short and 24.2% of the portfolio was invested in U.S. Treasury bonds sold short.

David C. Fietze
President

April 3, 2017

INVESTMENT PERFORMANCE

(unaudited)

Total Returns for Periods Ended March 31, 2017

	The Fund's Cumulative Total Return (%)	The Fund's Average Annual Total Return (%)
10 Years	+ 44.4	+ 3.7
5 Years	+ 52.9	+ 8.9
1 Year	+ 27.3	+ 27.3
3 Months	+ 6.9	—

The performance data contained in the report represent past performance, which is no guarantee of future results. The table above does not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares and assumes the reinvestment of all Fund distributions.

The investment return and the principal value of an investment in the Fund will fluctuate so that investors' shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance data quoted.

SCHEDULE OF INVESTMENTS as of March 31, 2017
(unaudited)

COMMON STOCKS — 106.6% OF TOTAL NET ASSETS

	Shares	Value (a)
Banks - Money Center — 3.7%		
Banco Bradesco S.A. ADR	3,500,000	$ 35,840,000
Broker/Dealers — 12.4%		
Morgan Stanley (b)	1,440,000	61,689,600
The Goldman Sachs Group, Inc. (b)	255,000	58,578,600
		120,268,200
Commercial Banks — 19.2%		
Bank of America Corporation (b)	3,330,000	78,554,700
Citigroup Inc.	1,240,000	74,176,800
JPMorgan Chase & Co.	370,000	32,500,800
		185,232,300
Electrical Equipment — 4.7%		
Teradyne, Inc.	1,450,000	45,095,000
Electronic and Communication Equipment — 5.3%		
NetEase Inc ADR	180,000	51,120,000
Electronic Components — 12.7%		
Microchip Technology Incorporated	230,000	16,969,400
Micron Technology, Inc.(b)(c)	1,980,000	57,222,000
NVIDIA Corporation	446,000	48,582,780
		122,774,180
Housing and Building Materials — 15.1%		
D.R. Horton, Inc.	1,470,000	48,965,700
Lennar Corporation	950,000	48,630,500
Toll Brothers, Inc.	1,350,000	48,748,500
		146,344,700

SCHEDULE OF INVESTMENTS as of March 31, 2017 (continued)
(unaudited)

COMMON STOCKS (continued)

	Shares	Value (a)
Insurance — 5.1%		
Prudential Financial, Inc. (b)	458,000	$ 48,859,440
Light Capital Goods — 10.2%		
KLA-Tencor Corporation	490,000	46,584,300
Lam Research Corporation (b)	405,000	51,985,800
		98,570,100
Metals and Mining — 8.6%		
Freeport-McMoRan Copper & Gold Inc. (c)	1,800,000	24,048,000
Vale S.A. ADR (b)	6,250,000	59,375,000
		83,423,000
Packaging — 3.7%		
WestRock Company	680,000	35,380,400
Peripherals — 5.9%		
Western Digital Corporation	690,000	56,945,700
TOTAL COMMON STOCKS (Identified cost $907,221,913)		1,029,853,020

SHORT-TERM INVESTMENT — 1.1% OF TOTAL NET ASSETS

	Face Amount	
Tri-party Repurchase Agreement with Fixed Income Clearing Corporation, dated 03/31/2017 at 0.09% to be repurchased at $10,750,000 on 04/03/2017 collateralized by $10,930,000 U.S. Treasury Bond, 3.00% due 11/15/2045 valued at $10,982,319 including interest. (Cost $10,750,000)(d)	$ 10,750,000	10,750,000
TOTAL INVESTMENTS — 107.7% (Identified cost $917,971,913)(e)		1,040,603,020
Cash and receivables		409,476,828
Liabilities		(483,711,896)
TOTAL NET ASSETS — 100.0%		$ 966,367,952

SECURITIES SOLD SHORT — 44.9% OF TOTAL NET ASSETS

(unaudited)

COMMON STOCK — 20.7% OF TOTAL NET ASSETS

	Shares	Value (a)
Retail — 18.8%		
DDR Corp.	1,700,000	$ 21,301,000
GGP Inc.	2,220,000	51,459,600
Simon Property Group, Inc.	320,000	55,049,600
The Macerich Company	840,000	54,096,000
		181,906,200
Technology — 1.9%		
Snap Inc. (c)	800,000	18,024,000
TOTAL COMMON STOCK (Proceeds $212,046,617)		199,930,200

BONDS — 24.2% OF TOTAL NET ASSETS

	Face Amount	
United States Treasury — 24.2%		
United States Treasury Bonds, 2.750%, 08/15/2042	$ 35,000,000	33,388,075
United States Treasury Bonds, 2.875%, 11/15/2046	100,000,000	97,066,400
United States Treasury Bonds, 3.000%, 02/15/2047	40,000,000	39,871,880
United States Treasury Bonds, 3.125%, 02/15/2043	40,000,000	40,815,640
United States Treasury Bonds, 3.750%, 11/15/2043	20,000,000	22,767,180
TOTAL BONDS (Proceeds $227,694,695)		233,909,175
TOTAL SECURITIES SOLD SHORT — 44.9% (Proceeds $439,741,312)		$ 433,839,375

(a) Security valuation — Equity securities are valued on the basis of valuations furnished by a pricing service, authorized by the Board of Trustees (the "Board"). Equity securities listed or regularly traded on a securities exchange or in the over-the-counter ("OTC") market are valued at the last quoted sale price or, for certain markets, the official closing price at the time the valuations are made. A security that is listed or traded on more than one exchange is valued at the quotation on the exchange determined to be the primary market for such security. For securities with no sale reported, the last reported bid price is used for long positions and the last reported ask price for short positions. Corporate debt securities (other than short-term obligations purchased with an original or remaining maturity of sixty days or less) are valued on the basis of valuations furnished by a pricing service, authorized by the Board, which determines valuations for normal, institutional-size trading units of such securities using market information, transactions for comparable securities and various relationships between securities which are generally recognized by institutional traders. United States government debt securities held long are valued at the current closing bid and if held short are valued at the current closing ask, as last reported by a pricing service approved by the Board.

Short-term investments purchased with an original or remaining maturity of sixty days or less are valued at amortized cost, which approximates value.

When current market prices or quotations are not readily available or do not accurately reflect fair value, valuations may be determined in accordance with procedures adopted by the Board. For example, when developments occur between the close of a market and the close of the New York Stock Exchange ("NYSE") that may materially affect the value of some or all of the securities, or when trading in a security is halted, these procedures may be used. The frequency with which these procedures are used is unpredictable. These valuation procedures may result in a change to a particular security's assigned level within the fair value hierarchy described below. The value of securities used for net asset value ("NAV") calculation under these procedures may differ from published prices for the same securities.

The Fund may use valuation techniques consistent with the market, income, and cost approach to measure fair value. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts (cash flows, earnings) to a single present amount. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset. To increase consistency and comparability in fair value measurements and related disclosure, the Fund utilizes a fair value hierarchy which prioritizes the various inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 - Prices determined using: quoted prices in active markets for identical securities that the Fund has the ability to access at the measurement date. Valuation adjustments are not applied to Level 1 investments.
- Level 2 - Prices determined using: other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.).
- Level 3 - Prices determined using: significant unobservable inputs, including the Fund's own assumptions and judgment in determining the fair value of investments. In situations where quoted prices or observable inputs are unavailable (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the Fund's own assumptions about the factors market participants would use in pricing an investment, and would be based on the best information available in the circumstances. Investments falling into the Level 3 category are primarily supported by quoted prices from brokers and dealers participating in the market for those investments. However, these may be classified as Level 3 investments due to lack of market transparency and corroboration to support these quoted prices. Additionally, valuation models may be used as the pricing source for any remaining investments classified as Level 3. These models rely on one or more significant unobservable inputs and/or significant assumptions by Capital Growth Management Limited Partnership, the Fund's investment adviser ("CGM"). Inputs used in valuations

may include, but are not limited to, financial statement analysis, capital account balances, discount rates and estimated cash flows, and comparable company data.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the Fund's investments as of March 31, 2017:

Classification	Valuation Inputs: Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs
Investments in Securities-Assets			
Common Stocks*	$ 1,029,853,020	—	—
Short-Term Investment			
Repurchase Agreement	—	$ 10,750,000	—
Total	$ 1,029,853,020	$ 10,750,000	—
Investments in Securities-Liabilities			
Common Stocks*	$ 199,930,200	—	—
Bonds			
United States Treasury Bonds	—	$ 233,909,175	—
Total	$ 199,930,200	$ 233,909,175	—

* All common stocks held in the Fund are Level 1 securities. For a detailed break-out of common stocks by major industry classification, please refer to the Schedule of Investments.

For the three months ended March 31, 2017, there were no transfers among Levels 1, 2 and 3.

(b) A portion of this security has been segregated as collateral in connection with short sale investments. The market value of securities held in a segregated account at March 31, 2017 was $297,836,600 and the value of cash held in a segregated account was $360,149,815.

(c) Non-income producing security.

(d) The Fund enters into repurchase agreements, under the terms of a Master Repurchase Agreement, secured by U.S. Government or Agency securities, which involve the purchase of securities from a counterparty with a simultaneous commitment to resell the securities at an agreed upon date and price. Certain repurchase agreements are tri-party arrangements whereby the collateral is held in a segregated account for the benefit of the Fund and on behalf of the counterparty. Repurchase agreements afford the Fund the opportunity to earn a return on temporarily available cash at minimal market risk. While the underlying security may be a bill, certificate of indebtedness, note or bond issued by an agency, authority or instrumentality of the U.S. Government, the obligation of the seller is not guaranteed by the U.S. Government and there is a risk that the seller may fail to repurchase the underlying security. Consequently, there may be possible delays or restrictions upon the Fund's ability to dispose of the underlying securities. Upon an event of default under the Master Repurchase Agreement, the Fund would attempt to exercise its rights with respect to the underlying security, including taking possession of the cash and/or collateral provided by the seller. At March 31, 2017, the Fund had an investment in a repurchase agreement for which the value of the related collateral exceeded the value of the repurchase agreement.

(e) Federal Tax Information: At March 31, 2017, the net unrealized appreciation on investments held long, based on cost of $922,718,803 for Federal income tax purposes was as follows:

Aggregate gross unrealized appreciation for all investments in which there is an excess of value over tax cost	$126,713,378
Aggregate gross unrealized depreciation for all investments in which there is an excess of tax cost over value	(8,829,161)
	$117,884,217

The cost basis and unrealized appreciation/(depreciation) for the Schedule of Investments and tax purposes differ due to differing treatments of wash sale losses deferred.

ADR: American Depositary Receipt - a certificate issued by a U.S. bank representing the right to receive securities of the foreign issuer described. The values of ADRs are significantly influenced by trading on exchanges not located in the United States or Canada.

TELEPHONE NUMBERS

For information about:

- Account Procedures
- Purchases
- Redemptions
- Exchanges

Call 800-343-5678

- New Account Procedures and Status
- Prospectuses
- Performance
- Proxy Voting Policies and Voting Records
- Complete Schedule of Portfolio Holdings for the 1st and 3rd Quarters (as filed on Form N-Q)

Call 800-345-4048

Proxy voting policies also appear in the Fund's Statement of Additional Information, which can be found on the CGM Fund's website, www.cgmfunds.com, and the SEC's website, www.sec.gov. The voting records can also be found on the SEC's website on the Fund's Form N-PX filing.

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the SEC's website at www.sec.gov and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 800-SEC-0330.

MAILING ADDRESS

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WEBSITE

www.cgmfunds.com